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December 6, 2005

DEC 08 2005

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Federal Communications Commission
Wireline Competition Bureau - CPD214 Appls.
P.O. Box 358145
Pittsburgh, PA 15251-5145

**Re: In the Matter of Telscape Communications, Inc., Transferor, and
Scorpion Capital Partners, L.P., Transferee, Application for
authority pursuant to Section 214 of the Communications Act of
1934, as amended, for the transfer of control of an authorized
international and domestic common carrier**

Dear Sir/Madame:

Enclosed for filing, on behalf of Telscape Communications, Inc. and Scorpion Capital Partners, L.P., please find an original and six copies of the above-identified combined application. This application requests approval for the acquisition by Scorpion Capital Partners, L.P. of control over Telscape Communications, Inc. This application is also being filed with the International Bureau.

Also enclosed is a completed Fee Remittance Form 159. As noted, the filing fee has been paid by credit card. After filing this application, please return a date-stamped copy to me in the enclosed self-addressed stamped envelope. Thank you very much.

Very truly yours,



John L. Clark

Enclosures

2991/001/X72087.v1

[STAMP & RECEIPT COPY]

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB
3060-0589

Page: 1 of 1

(1) LOCK BOX # 358145		SPECIAL USE ONLY	
SECTION A - PAYER INFORMATION		FCC USE ONLY	
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) John L. Clark		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$895.00	
(4) STREET ADDRESS LINE NO. 1 505 Sansome Street, Suite 900			
(5) STREET ADDRESS LINE NO. 2			
(6) CITY San Francisco		(7) STATE CA	(8) ZIP CODE 94111
(9) DAYTIME TELEPHONE NUMBER (include area code) 415-765-8443		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0012405973		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME Telscape Communications, Inc.			
(14) STREET ADDRESS LINE NO. 1 606 E. Huntington Drive			
(15) STREET ADDRESS LINE NO. 2			
(16) CITY Monrovia		(17) STATE CA	(18) ZIP CODE 91016
(19) DAYTIME TELEPHONE NUMBER (include area code) 626-415-1016		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0005040522		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$895.00	(27A) TOTAL FEE \$895.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, <u>John L. Clark</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE <u>[Signature]</u>		DATE <u>12/6/05</u>	

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the matter of

Telscape Communications, Inc.
Transferor

and

Scorpion Capital Partners, L.P.
Transferee

File No. ITC-T/C-2005 _____

WC Docket No. 05 _____

Application for authority pursuant to Section 214 of the Communications Act of 1934, as amended, for the transfer of control of an authorized U.S. international and domestic common carrier.

APPLICATION

Scorpion Capital Partners, L.P. ("Scorpion" or "Transferee") and Telscape Communications, Inc. ("Telscape" or "Transferor"), collectively "Applicants," hereby request, pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Sections 63.04 and 63.24(e) of the Federal Communications Commission ("Commission") Rules, 47 C.F.R. § 63.04 and § 63.24(e), authority for the transfer of control of Telscape to Scorpion.

I. SUMMARY OF TRANSACTION

Pursuant to a stock purchase agreement to be entered into in accordance with a formal letter of intent ("LOI") dated November 4, 2005, Scorpion, which is a Small Business Investment Company (SBIC) licensed by the federal Small Business Administration, will

acquire, through a new investment entity that is being formed for the purposes of this transaction ("NewHoldCo"), a majority of Telscape's issued and outstanding shares of stock. The stock will be purchased from Telscape Holdings, Inc. ("Holdings"), which currently holds all of Telscape's stock. Under the stock purchase agreement, the purchase price will be paid in cash, as of the closing, subject to standard adjustments. Holdings will then distribute the cash payment to its shareholders. As part of the transaction, certain existing minority shareholders in Holdings will re-acquire indirect equity interests in Telscape, which they will hold through NewHoldCo, and certain new investors will acquire indirect equity interests in Telscape, which they, likewise, will hold through NewHoldCo. In addition, employment agreements will be entered into between Telscape and its existing principal executive management team, Ruben Garcia, who is Telscape's chief executive officer, and Philip Siegel, who is Telscape's chief financial officer. Following the change in control, Telscape will continue providing service to its customers, without change, and in accordance with all of its existing tariffs and contracts. Thus, the transaction will be completely transparent to Telscape's customers. A chart showing the post-transaction ownership structure is attached as Exhibit A.

II. REQUEST FOR STREAMLINED PROCESSING

This application is eligible for streamlined processing under Sections 63.03 and 63.12 of the Commission's Rules, 47 C.F.R. § 63.03 and § 63.12. With respect to the domestic authority, the application is eligible for streamlining because, immediately following the transaction: (1) the Applicants and their affiliates (as defined in Section 3(1) of the Communications Act, "Affiliates") combined, will hold less than a ten percent (10%) share of the interstate interexchange market; (2) to the extent that the Applicants or their Affiliates provide U.S. local exchange services or exchange access services, those services will be provided only in

geographic areas served by a dominant local exchange carrier that is not a party to the transaction; and (3) none of the Applicants or their Affiliates is dominant with respect to any U.S. domestic telecommunications service. With respect to the international authority, the application is eligible for streamlined processing because none of the exceptions to streamlined filing specified by paragraph (c) of Section 63.12 applies.

III. STATEMENT OF PUBLIC INTEREST

Telscape currently is controlled, indirectly, by TSG Capital Fund III, LP ("TSG"), which holds a majority of Holdings' stock. (As noted above, Holdings is Telscape's parent company and owns 100% of Telscape's stock.) TSG is an equity investment fund and is reaching the end of its established life. Under the terms of the TSG fund's sunset provisions, the fund's managers are obligated to liquidate the fund's interests in Holdings at this time. Telscape's management and remaining shareholders have worked closely with TSG to negotiate a sale of the fund's shares to investors who have a demonstrated interest in promoting Telscape's continued operation in a manner consistent with the needs of Telscape's customers. Scorpion meets this key criterion. Its investment in Telscape's on-going business will provide it with a significant stake in Telscape's future success, and will provide Telscape with a strong partner whose expertise and position in the financial marketplace should significantly enhance Telscape's ability to access the capital it needs in order to fund continued growth and transition to new technologies.

For these reasons, Applicants respectfully submit that this application is in the public interest and should be granted without delay.

IV. SECTION 63.24(e) INFORMATION

Pursuant to Section 63.24(e) of the Commission's Rules, 47 C.F.R. § 63.24(e), Applicants submit the following information requested in Section 63.18 (a)-(d) and (h)-(p) in support of this application.

(a) Names, Addresses, and Telephone Numbers of Applicants

(1) Transferor

Telscape Communications, Inc.
606 E. Huntington Drive
Monrovia, California 91016
Tel: 626-415-1016
Fax: 626-252-3490

(2) Transferee

Scorpion Capital Partners, L.P.
245 Fifth Avenue, 25th Floor
New York, New York 10016
Tel: 212-213-9190
Fax: 212-213-9607

(b) Jurisdiction of Organization

Telscape is a corporation formed under the laws of the State of Delaware.

Scorpion is a limited liability company formed under laws of the State of Delaware.

(c) Contact Information

All correspondence and other communications concerning this application should be directed to:

John L. Clark
Goodin, MacBride, Squeri
Ritchie & Day LLP
505 Sansome Street, 9th Floor
San Francisco, California 94111
Tel: 415-765-8443
Fax: 415-398-4321
E-mail: jclark@gmsr.com

(d) International Authorizations

Telscape holds international Section 214 authority to provide global facilities-based and resale service, which was issued under File No. ITC-214-20010815-00433. Telscape also holds blanket domestic Section 214 authority.

(h) Ownership

Following the completion of the proposed transaction, all direct ownership interests in Telscape Communications, Inc. will be held by a new, non-operating holding company (NewHoldCo). NewHoldCo will be formed as of, or before, the date of closing under the laws of the United States and will maintain its principal office at 606 E. Huntington Drive Monrovia, California 91016. The following persons will, indirectly through NewHoldCo, own a 10% or greater equity or voting interest in Telscape Communications, Inc.:

Name and Address	Citizenship	Principal Business	Percentage Ownership/Controlling Interest in Telscape ¹
GP/T Holdings, LLC 10880 Wilshire Blvd., Ste. 500 Los Angeles, CA 90024	United States	Investment Company	27%
Scorpion Capital Partners, L.P. 245 Fifth Avenue, 25 th Floor New York, New York 10016	United States	SBIC	100% ²

No person owns or controls a 37% or greater equity or voting interest in GP/T Holdings, LLC. Therefore, no person holding an interest in GP/T Holdings, LLC will indirectly own or control a 10% or greater equity or voting interest in Telscape.

¹ The ownership interests stated in this application are approximate and may change slightly upon finalization and closing of the transaction. However, no such change will affect the identification of ownership and controlling interest holders.

² The actual equity interest of Scorpion Capital Partners, L.P. in NewHoldCo is 50%.

The following person owns a 14% limited partner equity interest in Scorpion Capital Partners, L.P. and, therefore, will be attributed with a 14% equity interest in Telscape.

Name and Address	Citizenship	Principal Business	Percentage Ownership/Controlling Interest in Telscape
Kinaro Investments, Ltd. c/o Dominique Lang Nomina Finance Bahnhofstrasse 44 Zurich CH-8023 Switzerland	British Virgin Islands	Investment Company	14%

No person owns or controls a 50% or greater equity or voting interest in Kinaro Investments, Ltd. Therefore, no person holding an interest in Kinaro Investments, Ltd. will be attributed with indirect ownership or control of a 10% or greater equity or voting interest in Telscape.

Scorpion Capital Partners, L.P. is controlled by a single general partner, Scorpion GP LLC. Scorpion does not own an actual equity interest in Scorpion Capital Partners, L.P. Because of Scorpion GP LLC's position as sole general partner, the following chart attributes it with direct control over 100% of the interest in Telscape that is held by Scorpion Capital Partners, L.P.:

Name and Address	Citizenship	Principal Business	Percentage Ownership/Controlling Interest in Telscape
Scorpion GP LLC 245 Fifth Avenue, 25 th Floor New York, New York 10016	United States	Investment Management	50%

Scorpion GP LLC, in turn, is controlled by two individuals: Nuno Brandolini and Kevin McCarthy. Each of them owns a 2.3% interest in Scorpion Capital Partners, L.P.; however, because of their positions as managers of Scorpion GP LLC, the following chart attributes each of them with 100% of the interest attributed to Scorpion GP LLC:

Name and Address	Citizenship	Principal Business	Percentage Ownership/Controlling Interest in Telscape
Kevin McCarthy 245 Fifth Avenue, 25 th Floor New York, New York 10016	United States	Investment Management	50%
Nuno Brandolini 245 Fifth Avenue, 25 th Floor New York, New York 10016	United States	Investment Management	50%

No other individual or entity other than those identified above will hold a 10% or greater direct or indirect interest in Telscape.

(i) Applicants certify that they are not foreign carriers, they are not affiliated with a foreign carrier, and that they will not become affiliated with a foreign carrier as a result of the proposed transaction.

(j) Applicants certify that they do not seek to provide international telecommunications services to any destination country for which any of the statements in subsections 63.18(j)(1)-(4), inclusive, of the Commission's Rules, 47 C.F.R. § 63.18(j)(1)-(4), inclusive, is true.

(k) Not applicable.

(l) Not applicable.

(m) Not applicable.

(n) Applicants certify that they have not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.

(o) Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. *See* 21 U.S.C. § 853a. *See also* 47 C.F.R. §§ 1.2001-1.2003.

(p) Applicants respectfully submit that this application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. § 63.12(a)-(b). In particular, Section 63.12(c)(1) is inapplicable because neither of the Applicants is affiliated with any foreign telecommunications carriers except for foreign telecommunications carriers that qualify for a presumption of non-dominance pursuant to Section 63.10(a)(3) of the Commission's Rules, and none of the scenarios outlined in Section 63.12(c)(2)-(4) of the Commission's Rules applies.

V. SECTION 63.04 INFORMATION

In lieu of an attachment, pursuant to Commission Rule 63.04(b), 47 C.F.R. § 63.04(b), Applicants submit the following information in support of their request for domestic Section 214 authority in order to address the requirements set forth in Commission Rule 63.04(a)(6)-(12), 47 C.F.R. § 63.04(a)(6)-(12):

(a)(6) A description of the transaction is set forth above in Section I of this application.

(a)(7) Telscape is a non-dominant interexchange and competitive local exchange carrier operating in California and Nevada. Telscape provides intrastate, interstate, and international telephone service to residential customers. Scorpion is a Small Business Investment Company (SBIC) licensed by the federal Small Business Administration, which focuses on middle market companies that Scorpion believes are positioned for strong future performance. Scorpion makes its investments in partnership with companies' senior management teams in order to help ensure

appropriate alignment of interests. In addition, Scorpion provides a variety of investment and financial services.

(a)(8) This application is eligible for streamlining because, immediately following the transaction: (1) the Applicants and their affiliates (as defined in Section 3(1) of the Communications Act, "Affiliates") combined, will hold less than a ten percent (10%) share of the interstate interexchange market; (2) to the extent that the Applicants or their Affiliates provide U.S. local exchange services or exchange access services, those services will be provided only in geographic areas served by a dominant local exchange carrier that is not a party to the transaction; and (3) none of the Applicants or their Affiliates is dominant with respect to any U.S. domestic telecommunications service.

(a)(9) Through this application, Applicants are seeking authority with respect to both international and domestic Section 214 authorizations (this application is being separately and concurrently filed with respect to both types of authorities in compliance with Commission Rule 63.04(b), 47 C.F.R. § 63.04(b)).

(a)(10) Applicants are not seeking special consideration of this application as neither party is facing imminent business failure.

(a)(11) Not applicable.

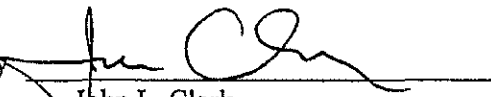
(a)(12) A statement showing how grant of this application will serve the public interest, convenience, and necessity is set forth above in Section III.

CONCLUSION

As demonstrated in this application, Applicants submit that the public interest, convenience, and necessity would be furthered by a grant of this application.

Respectfully submitted this 2nd day of December 2005 at San Francisco,
California.

GOODIN, MACBRIDE, SQUERI,
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By 
John L. Clark

Attorneys for Applicants

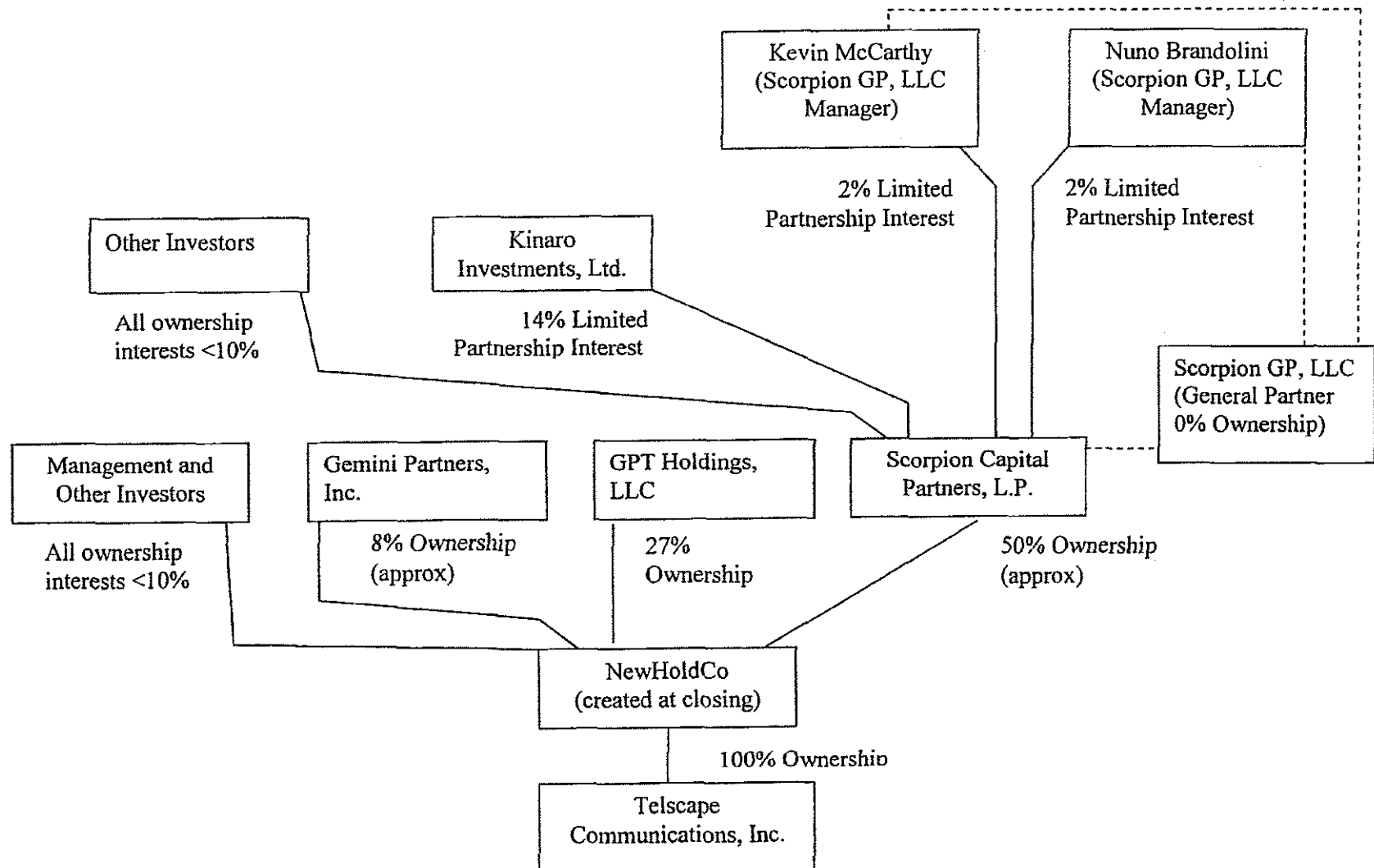
LIST OF ATTACHMENTS

EXHIBIT A – POST-TRANSACTION STRUCTURE

CERTIFICATION OF TRANSFEREE

CERTIFICATION OF TRANSFEROR

EXHIBIT A – POST-TRANSACTION STRUCTURE



CERTIFICATION OF TRANSFEROR

On behalf of Telscape Communications, Inc., I hereby certify under penalty of perjury under the laws of the United States that I am an officer of Telscape Communications, Inc., that I am authorized to make this certification on its behalf, and that the statements in the foregoing application are true, complete, and correct to the best of my knowledge and are made in good faith.

By: 

Name: Ruben Garcia

Title: Chief Executive Officer

Date: 12-2-05

CERTIFICATION OF TRANSFEREE

On behalf of Scorpion Capital Partners, L.P., I hereby certify under penalty of perjury under the laws of the United States that I am a manager of the Scorpion GP LLC, which is the general partner of Scorpion Capital Partners, L.P., that I am authorized to make this certification on behalf of Scorpion GP LLC and Scorpion Capital Partners, L.P., and that the statements in the foregoing application are true, complete, and correct to the best of my knowledge and are made in good faith.

By: Kevin R. McCarthy

Name: Kevin McCarthy

Title: Manager

Date: 12/2/2005